

and two Blackhawk helicopters to the Swat Valley, delivering 33 tons of supplies and airlifting 800 people to safety. Additionally, American citizens have been making small donations through their cell phones by texting the word "SWAT" to the number 50555. This money goes to the U.N. High Commissioner for Refugees to provide needed supplies like tents, clean water, food, clothing, and medicine.

This is an unspeakable tragedy. Sadly, monsoon rains continue to fall; further endangering populations and making relief efforts even more challenging. Increased international assistance is critical to helping the millions who are in immediate need of food or shelter. My thoughts and prayers go out to the people of Pakistan as they recover from this disaster.

#### RECOGNIZING FRIENDSHIP HAVEN

##### HON. TOM LATHAM

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, August 10, 2010*

Mr. LATHAM. Madam Speaker, I rise today to congratulate Friendship Haven of Fort Dodge, Iowa on the occasion of their 60th anniversary. Friendship Haven provides housing to over 6,700 senior citizens in Fort Dodge.

In the 1920s, Reverend Clarence Thompkins, a Methodist minister, thought of creating a home for seniors; however it was not until 1947 when the city of Fort Dodge donated enough land and money to make this idea into a reality. Other individuals like H.C. Kirkberg and Julia Oleson gifted land or money to help support Friendship Haven. The first resident moved in 1950 and what started as a single building grew to a full campus.

Today, Friendship Haven offers town home living, two independent living apartments, assisted living, long-term and short-stay nursing care, second family home care, adult day services, and a rehabilitation program gym.

Friendship Haven has strived to meet the needs of area seniors by providing excellent living conditions and options, resources and encouraging citizens to live an active life. I know that my colleagues join me in congratulating the residents, staff and friends of Friendship Haven on this historic anniversary. It is an honor to represent Friendship Haven in the United States Congress, and I wish them continued success well into the future.

#### IN RECOGNITION OF RANDY VOGEL

##### HON. JACKIE SPEIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, August 10, 2010*

Ms. SPEIER. Madam Speaker, I rise to honor Randy Vogel in honor of his 40 years of service to Junipero Serra High School in my district. Essentially, he started as a math teacher in 1970 and never left, although his responsibilities and influence have spread well beyond the classes he has taught.

He is a life-long resident of San Carlos and a graduate of Santa Clara University. At Serra he is the Director of Admissions who still finds time to teach an honors algebra class which

he says is the highlight of his day. He has served as baseball coach for 12 years, Director of Public Relations, Development Director, Rally Committee Moderator, Math Department Chair and the list goes on. He has taught eight fathers and sons, a testament to his longevity and skills in the classroom. In all he has worked for five principals and has seen more than 7,600 students graduate. He considers Serra to be like home and the school's spirit and sense of community to be extraordinary. Of this spirit Randy says, "We can teach values, not to be afraid to pray and to recognize the impact of God in our lives without criticism."

Madam Speaker, Randy Vogel is an inspiring educator, and it is fitting that the groundbreaking ceremony for the Serra High School's Center for the Arts and Sciences and Aquatic Center on August 23 include a special recognition of Randy Vogel's 40 years of service to the school.

#### INTRODUCTION OF AUTOMATIC IRA BILL

##### HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, August 10, 2010*

Mr. NEAL. Madam Speaker, I rise to offer legislation to create additional savings opportunities for workers who do not have access to qualified retirement plans through their employers. I am pleased to be joined by several of my colleagues in offering "The Automatic IRA Act of 2010," which will increase retirement savings for millions of workers. This proposal is based on one contained in the President's budget.

Over the years, Congress has improved incentives for employer-based retirement and pension plans by providing more flexibility, increasing the limits, and lessening the administrative burdens. Still, about one in four employees who have access to these successful retirement vehicles do not take advantage of them.

What is a much more difficult group to reach, though, are the estimated 75 million workers who do not have access to these employer-based plans. GAO estimates that half the private sector workforce has no access to an employer-provided retirement plan. That is why today, we are filing legislation to create automatic payroll deposit Individual Retirement Accounts, or Auto IRAs, for workers who do not have access to employer-provided qualified pension plans. Our bill would require employers to automatically enroll employees in an Auto IRA unless the employee opts out. These are "set it and forget it" payroll deposit accounts. Recent research from Fidelity showed that only one in 10 workers eligible for automatic enrollment in employer-provided plans proactively opted out of the plan. The non-partisan Retirement Security Project has estimated that the Auto IRA proposal could raise net national savings by nearly \$8 billion annually.

This is especially important for younger and low-income workers, as GAO projects that under current law, 37 percent of all workers will retire with zero plan savings, and of young and low-income workers, 63 percent will have no plan savings at retirement. According to a

"retirement ready" study from the Employee Benefit Research Institute (EBRI) released last month, 64 percent of workers earning less than \$30,000 a year will run out of money within 10 years of retirement. And this problem exists even among large employers with qualified plans. A recent study by Hewitt projecting the retirement needs of 2.1 million employees of 84 large employers finds that the baseline case for full-career contributing employees will only meet about 85 percent of their predicted retirement needs at age 65.

We are, of course, sensitive to any increased burden on small businesses, so the bill provides for a temporary tax credit for employers with less than 100 employees in order to offset the up-front administrative cost of establishing this program. Only employers with at least 10 employees, which have been in business for at least two years, would be covered by the bill. Further, the bill does not mandate any matching contributions by employers or any fiduciary responsibility for the management of the accounts. It is our sincere hope that once employers start participating, they will decide to convert these arrangements to the broader 401(k) plans. The IRA contribution limits are much lower than the 401(k) limits, so business owners may see incentives to switch to the bigger plans.

Employers have the option of choosing a private sector manager for the Auto IRAs, while allowing each employee the right to transfer, or simply allowing the employee to designate the provider at the outset. As a default, employers may also send these contributions to the Treasury Department for the purchase of newly created Retirement Bonds, or R-bonds. Employer-provided retirement plans are highly popular among workers, and in a 2009 survey for AARP, by two to one, respondents said employers should be required to provide a retirement savings plan for their employees. This bill merely requires the employer to set up the mechanism for employees to save on their own.

The automatic enrollment feature is not new. It builds upon the success of 401(k) auto-enrollment, promoted by the Pension Protection Act of 2006. Many of the workers who will benefit from our bill will likely be moderate to lower-income workers. GAO recently studied the impact of auto-enrollment on workers savings levels and found that universal access to retirement savings with automatic enrollment would result in 91 percent of all workers, and 84 percent of low-income workers, with accumulated defined contribution savings at retirement. EBRI's "retirement ready" study found positive benefits already from auto-enrollment and auto-escalation of contributions in 401(k) plans, particularly for those aged 56 to 62 years old who have a 47 percent chance of not having enough money at retirement, down from a 60 percent chance just seven years ago.

The Auto IRA proposal, which was jointly developed by Brookings Institution and Heritage Foundation scholars, has garnered widespread support, including AARP and the Minority Business Roundtable, and has been endorsed in editorials around the country.

Of the 75 million American workers who have no access to an employer plan, over 40 million work for employers of at least 10 employees. And, only 10 percent of these workers actually seek out their own IRAs or other retirement savings vehicles. The Auto IRA bill that we are proposing will reach this critical